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Congress of the United States
House of Representatives
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October 25, 2021

The Honorable Nancy Pelosi
Speaker of the U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Charles E. Schumer
Majority Leader of the United States Senate
S-224, The Capitol
Washington, D.C. 20510

Dear Speaker Pelosi and Leader Schumer:

Thank you for your strong leadership throughout negotiations for the Build Back Better Act. I am especially grateful for your enduring commitment to children and families, including through the extension of the Child Tax Credit and investments in child care and early learning.

I understand negotiations are ongoing to determine the income cap that will qualify families for child care after the phase-in period. In September, I wrote to Chairman Bobby Scott, calling for the elimination of income caps that restrict access to care and increase administrative burden. While I remain strongly committed to a universal child care program, if this is not possible, **I urge you to implement an income cap no lower than 250% of State Median Income (SMI).**

I write on behalf of my constituents in San Diego, where the cost of living is among the highest in the nation — and among the highest in California. Child care remains the top issue I hear about when I am home in my district, from constituents across the political spectrum. Prior to the pandemic, the cost of care for one infant and one preschooler in my district was nearly \$30,000, and the typical family of four needed \$117,000 to cover basic costs alone.

I understand that the Administration's goal is to ensure all middle-class families have access to child care. In high cost of living districts like mine, this simply is not possible with an income cap of 150% or 200% of SMI. Recently, the Congressional Research Service shared income threshold estimates for the State of California with my office — at 150% and 200% of SMI, these are \$147,966 and \$197,288, respectively. And yet, the Public Policy Institute of California estimates that the middle-income threshold for a typical family of four in San Diego is \$251,797 — nearly \$55,000 more than an income cap of 200% of SMI.

An income cap below 250% of SMI would arbitrarily cut off access to child care for middle income families, who are getting crushed by the high cost and low availability of child care. This would be most harmful to dual-income families and especially women, whose labor participation rate

has been declining for two decades. In the midst of a pandemic that has had an outsized impact on women's workforce participation, this is simply unacceptable. We need a child care system that ensures all women who want to can go to work, provide for their families, and contribute to our economy.

Implementing an income cap of 250% of SMI is good policy, because our public programs function better and are more sustainable when more of us have a stake in them. It will also show our constituents that the Administration and the Democratic Caucus are really delivering for the people. President Biden won suburban women by 19% points, a demographic that is roughly one-quarter of the electorate. America's child care crisis is part of the everyday reality for these suburban families, and if they don't tangibly feel the benefits of the Build Back Better Act, they won't have a reason to entrust Democrats with another term in the majority.

As you know, a large body of research shows that when we invest in children, and we invest in women, we see cost savings and benefits to GDP many times over. Instituting an income cap of 250% of SMI is fiscally responsible, good for our economy, and good for our economic competitiveness.

Thank you again for your leadership on this vital issue, and for your consideration of this input as we work to Build Back Better.

With gratitude,



Sara Jacobs
Member of Congress